

Louisiana Property and Casualty
Insurance Commission
Louisiana Department of Insurance
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Louisiana Property and Casualty
Insurance Commission
Monthly Report
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May is Storm Awareness Month in Louisiana

Commissioner of Insurance Jim Donelon
Launches Storm Awareness Tour in Lake Charles

Commissioner of Insurance Jim Donelon kicked off a statewide storm awareness tour in Lake Charles on Tuesday, May 2.

His visit included a trip to areas hit hard by Hurricane Rita. He held meetings with local officials, addressed the Cameron Police Jury, and gave a noon luncheon speech to members of the Professional Insurance Agents of Louisiana from several southwest Louisiana parishes.

Commissioner Donelon will visit nine Louisiana cities in May and early June to discuss some of the most important property insurance coverages policyholders may be overlooking. The other planned stops on the tour include Alexandria, Shreveport, Monroe, New Orleans, Baton Rouge, Mandeville, Lafayette and Houma.

“Each area of our state has its own unique challenges with weather-related losses. Policyholders in the inland areas of Louisiana may be most concerned with tornadoes and hail storms, whereas residents along coastal Louisiana may be thinking about the upcoming hurricane season which starts June 1 and runs through November 30. So I am urging policyholders statewide to reevaluate their insurance needs to ensure they have the proper coverage,” Donelon says.

The Commissioner stressed that one of the biggest concerns statewide is that of adequate flood insurance. “Residents *not mandated* to purchase flood insurance by their mortgage lender can still end up with flooded homes,” Donelon said.

“Flood insurance, excess flood insurance and contents coverage are just a few of the things I will talk to policyholders about during Storm Awareness Month.”¹

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- ◆ *The Monthly Report* is the newsletter of the Louisiana Property and Casualty Insurance Commission, Louisiana Department of Insurance, 1702 N. 3rd Street, 3rd Floor, P.O. Box 94214, Baton Rouge, LA 70804-9214 225-342-7187 (PH) 225-342-6057 (FX)

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- LA Property & Casualty Insurance Commission Staff**

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- ◆ The Louisiana Property and Casualty Insurance Commission was created by the enactment of R.S. 22:15 in the 2001Regular Session of the Louisiana Legislature to review and examine the availability and affordability of property and casualty insurance in the state of Louisiana. The commission will also undertake a comprehensive study and provide oversight and enforcement recommendations of the effectiveness of law enforcement and implementation of programs aimed at enforcement throughout the state of those laws and programs which affect property and casualty insurance rates.

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Louisiana Department of Insurance

Storm Awareness Tour

Fact Sheet

Flood Insurance

- Flood is the number one natural disaster in the United States.
- Flood is **not** covered under homeowners policies in Louisiana, and wind and hail may not be covered either. No matter where you live in Louisiana, it is extremely important that you consider the possibility of buying flood insurance coverage. Almost 25 percent of all flood insurance claims come from areas with minimal flood risk.
- Your mortgage lender may not require you to purchase flood insurance when you buy your home, but that doesn't mean you don't need it. Only you can determine what coverage you need.
- The National Flood Insurance Program (NFIP) provides flood insurance not exceeding \$250,000 for your house and \$100,000 for its contents. Be sure your insurance on your contents is included.
- Most importantly...understand your coverage. Ask questions. Be sure your agent has fully explained your policy, and if your home and its contents are valued at more than NFIP covers, buy excess coverage from a private insurer.
- Do not put off buying flood insurance. It may be up to 30-days from the date of the purchase until your new flood insurance policy goes into effect.

Excess Flood Coverage

- Excess flood coverage can be purchased through private insurers.

Continued

Louisiana Property and Casualty Insurance Commission Members

Commissioner Jim Donelon
Jeff Albright
Col. Jim Champagne
Chuck McMains
Terry Lisotta
H. "Marc" Carter
Senator James David Cain

Representative Karen Carter
Senator Donald Cravins
Earl Taylor
Kay Hodges
Richard L. Stalder

Tom O'Neal
Theodore "Ted" Haik, Jr.
Aubrey T. Temple, Jr.
Nicholas Gachassin
Richard Clements
Chad Brown
Lorrie Brouse

- Excess insurance coverage is available on both your property and its contents.

Additional Living Expenses/Loss of Use Coverages (ALE)

- An ALE covers the cost of your living expenses if your home is uninhabitable due to damage by a covered peril.
- While policy language differs among the various insurance companies, loss of use could have the same meaning as additional living expenses, but could also include the loss of rent collectable.

Insure to Value

- If you have added on to your home or made any major improvements, make sure you increase the coverage on your home to reflect its higher value.

Announcements:

The month of May has been proclaimed "**Motorcycle Awareness Safety Month**" in the state of Louisiana by Governor Blanco.

The number of motorcycles in the state's traffic mix is expected to increase in the coming year because of their economic and practical value, making it even more important to improve the awareness of motorcyclists on our roadways.

Louisiana citizens should recognize the fact that licensed motorcycle operators have the same rights and privileges as licensed operators of other vehicles on all roads and highways. **Awareness by all motorists** is a major factor in helping reduce traffic crashes involving motorcycles.

Baton Rouge ranks third when it comes to the likelihood of a rider here having a motorcycle crash.

According to The Progressive Group of Insurance Companies, which insures more motorcycles than any other insurer, the only metro areas where a motorcyclist is more likely to have a wreck than in Baton Rouge are New York and Norfolk-Virginia Beach, Va.

Riding a motorcycle in Baton Rouge is riskier than in Houston, Los Angeles, Philadelphia, Dallas or Miami.

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Please Mark Your Calendar: The Louisiana Property and Casualty Insurance Commission will meet on Monday, May 22nd at 1:30 pm at the Department of Insurance, Plaza Hearing Room.